

EMPLOYEE OWNERSHIP ASSISTANCE GRANT PROGRAM (EOP)

The EOP program is designed to assist the employees of a distressed business obtain the professional services necessary to evaluate the feasibility of purchasing the business and operating as an employee-owned business.

ELIGIBILITY:

An EOP award may be made to a group formed by or on behalf of the current or former employees of an existing Wisconsin business that is considering or has experienced substantial layoffs or a plant closing.

The applicant must intend to operate the business in Wisconsin as an employee-owned business, i.e., organized to involve substantial employee participation or as a cooperative or corporation whose stock is owned through an employee stock ownership plan.

ELIGIBLE ACTIVITIES:

Proceeds of the award may be used to cover the cost of having an independent third party provide the professional services necessary to evaluate the feasibility of an employee buyout.

FUNDING AVAILABILITY:

Although the Department can finance up to 75% of the eligible project costs up to a maximum of \$15,000, the actual amount of the award is based upon factors such as:

1. The number of employees affected by the closing or layoff.
2. The management capability of the group.
3. The economic impact of the closing or layoff on the community, region or state.

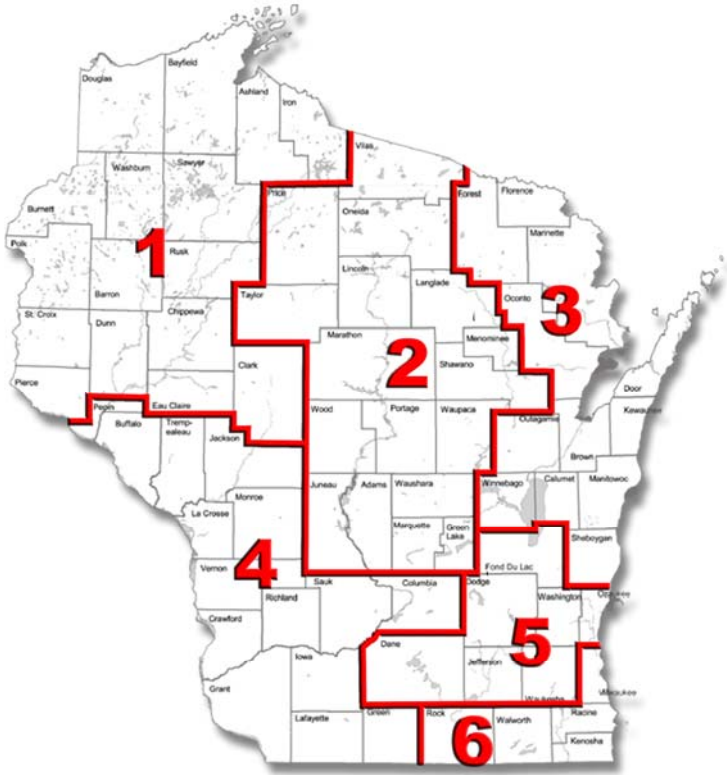
THE APPLICATION PROCESS:

The EOP application process involves four steps:

1. Interested applicants must first talk to their local Area Development Manager (ADM). The ADM will visit the site and discuss the project information. In addition, the ADM may identify other programs that could potentially assist the applicant.
2. The **ADM** will submit the preliminary project information to Commerce for review by a Finance Specialist.
3. The Finance Specialist will underwrite the project and make a funding recommendation to the Secretary's Office. The Secretary's Office will:
 - A. Deny the proposal, in which case the applicant will receive a letter outlining the reasons for denial.

OR

 - B. Make a positive funding recommendation, in which case the applicant will receive a preliminary commitment letter fully detailing the terms and conditions of the Department's proposed participation.
4. If a positive recommendation is made, the final step is for the project to be presented to the Wisconsin Development Board (WDB) Board.



BUSINESS INFORMATION:

Businesses should have the following information available when they meet with the local ADM:

- ☐ Background information on the company.
- ☐ A description of the project.
- ☐ A detailed project budget.
- ☐ Both existing and projected (3 yrs.) information on employment levels, wages and benefits.
- ☐ A project timeline.
- ☐ Balance sheet, profit and loss, and cash flow statements for the last three fiscal years, and the most recent interim statement.

Area Development Managers

Region 1: Marty Ambros	715/836-2630
Region 2: Deb Clements	715/344-1381
Region 3: Dennis Russell	920/498-6302
Region 4: William Winter	608/647-4613
Region 5: Kathy Heady	608/266-9944
Region 6: David Martens	608/261-7711
Bureau Director: John Stricker	608/261-7710